

NEWS OF THE WEEK IN THE WORLD OF BUSINESS

Stocks and Bonds --- Manufacture --- Domestic and Foreign Trade

BOARD SEES BIG BUSINESS AHEAD

Federal Reserve Statement For June Notes Expansion in Industry.

In its statement for June the federal reserve board notes industrial expansion along many lines with prospects for a very large output of goods and almost unprecedented returns to manufacturers, agriculturalists and laborers.

Reversing previous conditions, demand is heavy and well-sustained despite ascending prices. Buyers no longer await general decline, and reenter into commitments for fall and winter.

The export market has become a factor in all calculations, yet business men feel less need of this outlet, owing to the volume of domestic orders. Unemployment constitutes a negligible factor, and a labor shortage now impends.

New Charters Filed 708. New charters filed during June totaled 708 with authorized capital stock of \$109,000 or above, involving the stupendous sum \$1,225,000,000, according to the Journal of Commerce.

Increased Resources. National banks report resources as of May 15 totalling \$40,800,000,000—an increase of \$80,000,000 over March and of \$10,000,000 over six years ago.

Metals Improved. While May railroad earnings leave a deficit of \$39,000,000, according to estimates, and may tip the balance in favor of higher freight rates, and while a coal shortage is prophesied for next winter which may curtail production, the metals situation generally improves, and other gains far outweigh the moral effect of sporadic weakness.

Interest and dividend payments due July 1 total about \$300,000,000 against \$225,000,000 last year. Money is fairly tight, at least for market purposes, on account of pressing foreign and domestic needs for capital. The market has entered a period of restrained activity and normal advances, if current opinion be correctly formed.

FOREIGN TRADE

The gathering of delegates from 21 leading commercial organizations in New York, Chicago, Boston, San Francisco, Philadelphia, St. Louis, New Orleans and other cities to consider forming a national organization lends new interest to the free port idea which this organization is designed to promote.

The delegates adopted a constitution which declares the new organization's purpose to be the obtaining of a free zone system through appropriate congressional action. The association will hold aloof from free trade issue, to which the free port is wholly unrelated. A Philadelphia delegate suggested that Hog Island would make an admirable free zone.

The Financial Outlook

Extensive Prosperity in Sight—Prospects for Commodity Prices—What Next in the Security Market?

Business is steadily continuing its revival, and should be materially helped by the signing of peace. The pessimism of a few months ago is almost gone. Optimism is the order of the day.

As the revival progresses and deferred public works are entered upon, the amount of unemployed is diminishing and many are complaining of a shortage of skilled labor. The rate of business mortality is still close to record low figures. Owing to high prices bank clearings are at record levels. New incorporations are running at record rates, and the number of industrial companies availing themselves of redemption and sinking fund privileges for their bonds is increasing.

Industry is generally active in all branches and in all sections of the country. The building trades appear to have finally made the definite turn. This has contributed materially to the activities in a few of the minor metals such as zinc, lead and nickel. Owing to large orders for structural steel and for drilling materials for oil, the iron and steel trades have lived up considerably. They are now operating at about 65% of capacity compared with 54% last May.

Copper seems to have also become active, with prices steadily being marked up. August delivery is now quoted at 19c by many large sellers. The retail and distributive trades are running at high speed, and complaints regarding inability to meet demands are becoming numerous. The luxury trades are seeing an unprecedented activity.

Legitimate business need have little fear as to money accommodation at comparatively reasonable rates. Despite much apprehension as to the general money situation, there is no immediate cause for anxiety, since the rediscounting features of the federal reserve system can provide a abundance of funds for commercial needs. As the demands upon the money supply will be very heavy both by private industry and the government, rates may, however, tend to stiffen, especially in the fall when a record breaking crop will have to be financed.

Course of Commodity Prices. A very encouraging and interesting feature in the business situation is that commodity prices are holding firm and appear to have reached a pretty stable level. Bradstreet's last index number shows an advance of about 5% over May 1st due largely to higher prices for hides, leather and textiles, reflecting the shortage of the supply to meet the demands in these trades.

The graph herewith presents the course of American and English commodity prices since the beginning of the war. American prices advanced about 125% from July, 1914, to their high point in July, 1918, while English prices advanced about 150% from the beginning of the war to their highest point in September, 1918. American prices have declined about 5 1/2% from the record high; British prices, 4 1/2%. American prices have therefore risen less than English prices, and show a greater decline from their record high.

Future of Commodity Prices. To date the theory of many that prices would decline sharply soon after the ending of hostilities has failed to materialize. Prices on the contrary are tending temporarily to work higher. Considering the great amount of inflation in the United States, which will be with us for some time, and the intense demand for all classes of products by Americans and foreigners no sharp decline in prices is probable and any downward move will have to come very slowly.

A government department has solicited the views of prominent persons as to the future of commodity prices. The consensus of opinion was strong that prices have about struck a stable level. Most business men feel that way and are therefore going ahead with confidence, worrying very little about possible decline in prices.

An era of high prices generally benefits industry, excepting those companies whose selling prices are fixed. Industrial companies are prosperous and the prosperity has naturally been of greatest benefit to their common stocks. They are entitled to profits left after all senior issues are satisfied. As the rate of return these senior issues is fixed, they cannot share directly in the profits, though indirectly they have been greatly benefited by additional protection to their claims.

Prospects of Security Market. The activity of the market has lessened. Public enthusiasm has fallen off materially. Owing to advances among the general lines of stock prices has made up most of the loss in the recent reaction. The rally, however, are very soft.

A generally reactionary tone is probable for the early return. Individual stocks and groups may, however, advance further. Among such, the food stocks save the best claim to leadership.

The activity of the bond market has also fallen off, a good proportion of the trading being confined to the Liberties. These have been tending to decline fractionally, but are believed to be now close to the bottom. General bond prices have been moving irregularly and a number of good preferred stocks have declined in sympathy with common stocks.

Bonds are still on the bargain counter, and now is the time to consider purchases. The advance in prices will be gradual, and may be some time in starting, but prices are pretty close to the bottom now, and little is to be gained by waiting.

highest price on record. Receipts fell somewhat below expectations, vigorous demand for hogs is probable, owing to European need of fats and pork. Cattle, calves and sheep enjoyed fair activity with prices slightly higher.

COTTON. The market has fully discounted the government's bullish report of yield and acreage, and hence did not respond with soaring prices, as might have been expected. This tone was nervous and quotations were irregular throughout the week, breaks following the rallies. The sentiment continued mainly bullish in view of peace and the unfavorable crop outlook.

EAST BUFFALO LIVE STOCK. EAST BUFFALO, N. Y., July 5. CATTLE—Receipts, 300; market slow and steady; prime steers, \$14.00@15.25; butcher grades, \$8.00@14.00; cows, \$4.00@11.25.

CALVES—Receipts, 450; market active, \$2 up; cull to choice, \$6.00@23.50. SHEEP AND LAMBS—Receipts, 500; market active, steady; choice lambs, \$15.00@18.50; cull to fair, \$10.00@17.75; yearlings, \$13.00@14.50; sheep, \$5.00@8.50.

HOGS—Receipts, 1,000; market active, 50c up; Yorkers, \$23.50; pigs, \$22.00; mixed, \$23.50; heavy, \$23.50; roughs, \$20.00@21.00; stage, \$15.00@18.00.

PRICE SOARING WILL CONTINUE

No Indication of Recessions Follow Signing of the Peace Treaty.

Prices will hold their own during the next few years, and gain at many points, if accumulative evidence can be accepted. British economists predict that signing of peace will send raw materials and foodstuffs higher by opening new foreign territory and extending trade. The central powers need goods which Britain and America alone can furnish.

To questionnaires sent out by the department of labor reply was unanimous that existing prices will not fall while labor continues drawing handsome wages unless supply greatly exceeds demand. Rising standards will make the laborer unwilling to accept a lower wage even when the cost of living falls. Sec'y Glass does not believe that gold exportation from this country authorized in excess of \$200,000,000 will materially affect the price level.

Advances Continue. For 13 consecutive weeks Dun's list of wholesale commodities has shown more advances than recessions. Bradstreet's index number of foodstuffs advanced from 5.07 to 5.11 during the week ended June 27, as compared with \$4.29 a year ago—a new high record for all time. And food costs are the crux of present prices. The government is offering canned meats and vegetables for sale, but this step, while helpful, cannot avail much. The goods will not be sacrificed, and the supply is limited.

Higher Shoe Prices. The Tanners' council of the United States forecasts yet higher prices for shoes—20 per cent. by next fall, according to the New York Retail Shoe Dealers' association. The world needs leather, and though stocks increase by latest government report, lack of shipping makes it impossible to draw freely upon supplies in South America, India, China and Russia. Lumber has gained rapidly under renewed demand. Anthracite, and even better grade bituminous, coal prices tend upward, and dealers predict an acute shortage next winter.

Slow contraction of world demand and currency inflation will overcome the present movement, but time alone avails.

Local Markets

HAY, STRAW AND FEED. (Corrected Daily by the Western Miller Flour and Feed Co., 428 S. Michigan.) HAY—Paying \$22 to \$28; selling \$33. GRAIN AND FEED. (Corrected Daily by O. W. Farrell, Star Mill, Hydrant Ave.) SHELL CORN—Paying \$1.50. OATS—Paying 60c, selling 80c per bu. BRAN—Selling \$2.50 hundred. MIDDINGS—Selling 80c hundred. CHOPPED FEED—Selling, \$3.00 per cwt. CRACKED FEED—Selling \$4.00 per cwt. WHEAT—Paying \$2.25. SORGHUM—Paying \$2 to \$12, selling 75c a bale. SORGHUM—Paying 50 to 55c. OATS—Paying 10c, selling 50 to 55c. SHELL CORN—Paying \$1.40; selling \$1.50 to \$2.00. BAR CORN—Paying \$1.40; selling \$1.50 to \$2.00. TIMOTHY SEED—Paying \$5 per bu; selling \$6.50. CLOVER SEED—Paying \$25 bu; selling \$28 to \$30 per bu. ALFALFA CLOVER—\$26.00. ALFALFA (Montana grown) \$16.00. SOY BEANS—\$4.00. COW PEAS—\$4.00.

LIVE STOCK. (Corrected Daily by Major Bros., 8, Le Fan St., Milwaukee.) HEAVY FAT STEERS—Fair to good. 1600; prime, 1200. HOGS—1300; 15c; 1200@1175 lbs, 185c; 115 up, 19c.

SEEDS. (Corrected Daily by Warner Bros. Seed Store, 228 S. Michigan St.) JAPANESE MILLET—\$5 to \$5.50. COW PEAS—\$4.50 to \$5.50. RED CLOVER—\$25. TIMOTHY—\$25 to \$30. RED TOP—\$3.00. SOY BEANS—\$4 to \$6. SUDAN GRASS—\$20 per bu. PELTZ—\$4.00. WINTER OF Hairy Betch—\$12.00. SUNFLOWERS—25c lb. ALSIKE—\$23 to \$25.00. BLUE GRASS—\$2.75. WHITE CLOVER—\$22.00 to \$35. SWEET CLOVER—\$18.00. MAMMOTH CLOVER—\$30.00. ALFALFA—\$18. FIELD PEAS—\$3.50 to \$4.50. FOLIARY AND MEATS. (Corrected Daily by Jimmie's Market, 128 E. Jefferson Blvd.) BEEF—Roast, 20@26c; boiling, 20c; LARD—Paying, 20c; selling, 30c.

PRODUCE MARKET. (Corrected today by the Brotherhood grocery, 230 N. Main st.) BUTTER AND EGGS—Creamery butter, paying 54c pound, selling 60c pound; country butter, paying 50c pound, selling 55c pound; eggs, paying 10c dozen, selling 44c per dozen. FRUITS AND VEGETABLES—Fruits, California naval oranges, 60c per dozen; lemons, 55c dozen; bananas, 10c pound; vegetables, Michigan sand potatoes, \$1.40; new cabbage, selling 6c pound.

HIDES AND TALLOW. (Corrected today by S. W. Lippman, 216 N. Main st.) Hides, 20@25c; calfskins, 35@40c; dressed tallow, 50c pound; beeswax, 30c pound. Wool—35@40c.

MARKETS ARE CLOSED. CHICAGO, July 5.—The Chicago livestock, grain and produce markets, the New York stock exchange and practically all other important exchanges in the United States were closed today, giving employees a double July 4 holiday.

Read NEWS-TIMES for News

Trend of the Markets Stocks—Grain—Livestock—Cotton

STOCKS—Cash money still dominates the stock market, and gains usually follow temporary relaxation. A seasonal dullness is forecast throughout July and August. Renewed activity will then depend upon how well America has launched its trade revival, and how successful it has been in stimulating European industry and maintaining foreign trade. Prices will not recede, it may be, although a period of dullness following unusual activity often develops easing tendencies. The pressing need of funds everywhere, and the federal reserve board's attitude, will lay a restraining hand upon speculation for some time. The outcome is in doubt. Some believe the harvest will release funds and enhance the speculative fever. After its shake-down the market is in sound condition, and a majority look into the future for a strong bull market.

GRAIN—Traders are somewhat at a loss to account for all the bullish feeling which has surrounded corn. Three weeks of favorable weather nearly offset delay in planting, and condition reports cause no alarm. The prime bullish factors have been the sensational advance in hog, low visible supply, and forecasts of reduced acreage. While one group anticipates further advance, a strong element is bearish and would favor somewhat lower prices. A condition of 87 for July, and acreage of 104,000,000 on the government basis, would give a crop of 2,558,000 bushels, against condition 87.1, harvested acreage 107,194,000, and crop 2,583,000 bushels last year. Mixed sentiment exists in oats. Some think the crop will be short with oats relatively cheap, while others remark the increase in stocks this month and the poor cash demand. Barley specialists incline toward a bullish view.

LIVESTOCK—The phenomenal rise of hogs to new high records near \$22 overshadows any other event in livestock market. A continuing brisk demand for hog products is suggested. Hog prices affected corn.

COTTON—The cotton market shows persistent strength, and prices suggest a return to their war level, both of 1918 and 1865. The government report was unexpectedly bullish, placing the yield 1,000,000 below last year at 10,968,000 bales, and acreage 8.7 less at near 24,640,000. Southern agitation, scarcity and cost of labor, and unfavorable planting weather caused the decrease. On the other hand, some watchers assert that warehouses and compress contains nearly 3,500,000 bales—1,000,000 more than last year — and that a large carryover is certain. All eyes focus on the weather map as July and August are critical months.

WOOL—The tendency of prices for raw wool, both in foreign and domestic markets, is still upward. The spring clip has been taken very rapidly and at prices gratifying to the growers. There is some fear of reaction, but no expectation that it will occur for many months because of the world need created by war. British and American mills

Liberty Bonds Highest market prices paid in cash for all issues including Victory bonds. Accrued interest allowed. We will also help you with your bond payments. Open 8:30 a. m. to 8:30 p. m.

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TWO KILLED IN MINOT FOURTH CELEBRATION

By United Press. MINOT, N. D., July 5.—Two were killed instantly and one probably fatally injured during the Fourth of July homecoming celebration here when the airplane driven by Chester Jacobson crashed into the crowd.

CHARLESTOWN, W. Va. — The postoffice at Tango just couldn't keep still and it has "tangoed" away. The building with all equipment has been carried down the Coal river by a flood.

Public Sale Wooden and Metal Lined Packing Boxes

By Order of Director of Sales, United States Army Ordnance Department.

The United States Army Ordnance Dept. has declared as Surplus about 100,000 Wooden Packing Boxes which will be sold at Public Auction in Sales-room of

J. RALPH 2727 LINCOLN AVE. CHICAGO, ILLINOIS. Thursday, July 10, 1919, 10 o'clock. Inspection may be made July 7th-10th, 1919

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All saving deposits —all new saving accounts opened will earn 4% interest from the first of the month.

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